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Spotlight ON FOREIGN MARKETING

TO FAS MARKET DEVELOPMENT COOPERATORS AND AGRICULTURAL ATTACHES

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RECORD EXPORTS FORECAST

U.S. agricultural exports in fiscal year 1966 will hit a record high of more than $6.5 billion, Secretary of Agriculture Orville Freeman told members of the National Federation of Grain Cooperatives at a March 30 meeting in Washington, D.C.

The Secretary said that exports now account for one out of every six dollars that the American farmer earns from sale of his products. Not only do agricultural shipments provide jobs and income for all sectors of the United States economy, he said, but, since they account for about 25 percent of all U.S. exports, they are vital to the nation's balance of payments situation.

"If our agricultural exports were no higher now than they were in 1960 (when they totaled $4.5 billion)," Mr. Freeman said, "our payments balance would be $2 billion less than it now is. Truly, this would be a situation approaching catastrophe. If that were the situation today — which, happily, it is not — we would be forced to take stern measures to correct it.

And of course our economy would not be enjoying its current good health."



Maid of Cotton Nancy Bernard met a fellow Texan, President Lyndon B. Johnson, at the White House February 11. This month she is in Europe visiting tradespeople and consumers in Milan, San Remo and Austria.

The Secretary also took note of last year's favorable balance of trade in agricultural products alone. In 1965, he said, dollar-earning U.S. farm exports totaled $4.5 billion, and dollar-costing imports amounted to $4.1 billion. He predicted that in 1966 the ratio will be $4.7 billion to $3.9 billion.

FEED TRADE EXHIBIT AND SEMINAR IN TOKYO

A good attendance and active participation was reported at the March 7-18 U.S. Feed Trade Exhibit and Seminar in Tokyo.

During the first four days, 1,359 feed manufacturers and poultry and livestock producers registered at the U.S. Trade Center, the headquarters of the show. Of these, 850 participated in the seminar.

Sixteen U.S. firms producing poultry and swine-breeding stock, feed additives and ingredients, and feed grains had exhibits and representatives at this promotional event.

In the seminar program, seven U.S. animal nutrition and breeding experts, and their professional counterparts in Japan explored modern practices in broiler-breeding, production, and animal disease prevention and control. The Japanese were particularly interested in the U.S. system of producing marketable broilers in short periods of time on high-energy rations, and in increasing the efficiency of their laying flocks.

The Show was sponsored by FAS and the U.S. Feed Grains Council with assists from the American Soybean Association and the National Renderers Association.

Clarence Palmby, U.S. Feed Grains Council, reports, "I was greatly impressed with the caliber and number of Japanese agricultural leaders attending and participating in the U.S. Feed Trade Exhibit and Seminar. This two-week event was definitely timely. The U.S. commercial exhibitors, without exception, expressed satisfaction with the show We feel confident that Japan industry and business interests, with minimum assistance from the Japanese Government, will lower the cost of putting broilers on Japanese tables, as well as stimulating consumer acceptance. Firms that have been so effective in selling motor bikes, television sets and transister radios around the world should not find it too difficult to market broilers in Japan."

ARTICLE OF INTEREST

"Promotional Activities of Agricultural Groups," Economic Research Service, U.S. Department of Agriculture, December, 1965.

The 34-page report describes the promotional activities of agriculturally oriented groups in the United States. Foreign promotional expenditures of these groups are also tabulated.

Much of the report is based on a 1963-64 survey showing that 1,575 groups spent a total of about $86 million in fiscal year 1962 on U.S. programs to promote agricultural products. The expenditures are broken down according to advertising, merchandising, publicity, public relations and consumer education.

Foreign promotional activities by U.S. groups were a significant part of the total agricultural promotional effort. The 28 groups involved in foreign promotion spent over $5.6 million in fiscal 1962. Expenditures of voluntary producer-processor groups on foreign promotional activities amounted to 60 percent of all funds allocated for these activities. Over half the total groups involved (16) were voluntary groups. The remaining expenditures were made largely by commissions subject to mandatory deductions.



Florida cattle was among the U.S. agricultural exhibits at the March 13-21 International Agricultural and Livestock Fair in Verona, Italy. Shown (left to right) are Fred Goddert Sr., Jacksonville; Gilbert Tucker, Cocoa; Charles Lykes, Tampa; Dr. T. J. Cunha, University of Florida; Fred Goddert Jr.; and John Stiles, Florida Department of Agriculture. On the right is Lyle Ligget of the American National Cattlemen's Association.

SWEDISH MARKET STUDY

A profile study for FAS on export opportunities in the Swedish market has been completed by C. K. Squires, an international marketing and economic research firm in Stockholm.

Products considered to have a promising market potential include turkey rolls, rice, tomato puree and pulp, peanuts, canned corn, pears, oranges and fruit cocktail. Names of wholesale grocers and importers and considerable information on such things as food habits, expenditures, trading methods, food regulations, and advertising and promotion are covered in the study.

MILK PRODUCTION AND IMPORTS RISING TOGETHER IN JAPAN

The School Lunch Program in Japan is resulting in an increased demand for milk and dairy products, reports Mitsugi Sato, President of Japan's Snow Brand Milk Products Co., Ltd.

Statistics furnished to Dairy Society International by Sato show that step by step with the spectacular rise of Japan's own dairy industry has been her importation of dairy products. Each shows roughly an eight-fold increase since 1950.

Much of the credit for creation of this market, Sato says, is traceable to the School Lunch Program fostered by the Americans during the post war period. "The rapid dairy development," he says, "was chiefly due to the swift changing of the Japanese diet after the war."

Sato gives credit to DSI for helping to arrange the good will visits to Japan of two American Dairy Princesses. This, he believes, encouraged the Japanese dairy industry and served to emphasize the importance of the dairy industry among government officials as well as the general public.

"At present," Sato says, "the importation of dairy products is not liberalized except for natural cheese, but the government imports any product considered necessary to meet the demand when it can be shown that the home production is in deficit. The production of milk and its products will continue to increase and at the same time the trend of increase in imports will also continue until the balanced ratio in the diet, especially protein, can be obtained. It is not the purchasing power of the nation which determines the consumption of milk and its products, but the eating habits of its people. This is the vital factor which determines it. This fact has clearly been demonstrated in Japan."



American toast bread is proving to be a popular item with European consumers. Shown inspecting the "Golden Toast" bread are (left to right) the manager of the food department of a Bonn supermarket; Marx Koehnke, Great Plains Wheat; Mr. Bachmann, manager, Scharf Bakery; Ken Murray, Assistant Agricultural Attache; and Peter Scharf, owner of the Scharf Bakery.

GPW STAFF CONFERENCE

Marketing plans were a major topic of discussion at a Great Plains Wheat staff conference. Gene Vickers, GPW Director of Foreign Operations; Bill Williams, Caracas; Otto Schlodtmann, Rio de Janeiro; and Carl Allam, Lima; were among those attending. The country directors later met with FAS representatives in Washington to discuss their plans for the new year.

The Kansas City conference, in addition to President Howard Hardy and the GPW headquarters staff, included several of the leading U.S. grain exporters. Prospects for the marketing year in Latin America were reviewed with the grain trade. The directors also reviewed organizational objectives and responsibilities, fiscal and reporting procedures, marketing intelligence and the evaluation of project activities.



HERE and THERE

"Wash Your Hands With Soap" is the theme of a nationwide campaign in Japan to be sponsored by the National Renderers Association and the All Japan Soap Association. The two-year program will include national TV institutional telecasts. The Japanese Ministries of Education and Welfare have promised assistance by encouraging cooperation of schools and other rural institutions.

The Voice of America recently interviewed three Kansas wheat producers and G. C. Fowler, Administrator, Kansas Wheat Commission, as part of an international broadcast on the food situation. Fowler discussed the state and national market development programs and the reasons for them. He also explained how each producer donates a small amount of money from the sale of each bushel of wheat to carry on the programs abroad.

American Angus Association representatives, Glen Bratcher, Secretary, and Lyle Springer, Technical Director, will be in Japan and Okinawa, April 4-23, to make contacts for sales of U.S. Angus breeding stock. Visits will be made to cattle producers, dealers, importers, livestock associations, and government officials. Jim Hartman, Director, FAS Livestock and Meat Products Division, will accompany the team.

Joseph Halow has joined the Great Plains Wheat Washington office staff as Assistant to the Director of Foreign Operations. Halow speaks six languages and has spent considerable time in the areas covered by GPW.

Wheat Trade Missions from West Germany, the Netherlands and Peru are scheduled to visit the U.S. this spring and summer under Great Plains Wheat and FAS sponsorship. Teams from Venezuela and Colombia are also under consideration.

The Rice Council is reaching many households in Belgium through a pocket sized rice recipe book being distributed and sold by an European publishing house. Over 20,000 copies have been sold thus far at a cost of about 40 cents each. A second Belgian edition is in production and a Dutch edition is planned for sale in parts of Belgium and Holland. The book includes paid advertisements by U.S. rice firms costing about $150 each. Mary Ellen Ciselet, Country Representative for the Rice Council in Brussels, wrote the copy for the booklet.

An upswing in wheat flour consumption in Japan is reported by the Ministry of Agriculture and Forestry. The report, which lists the daily per capita consumption figures for 1964, shows the consumption of rice to be slightly decreasing, while the consumption of wheat flour is gradually increasing due to changing patterns of eating habits. Daily per capita consumption of rice in 1964 was 314 grams and wheat flour was 77 grams. Activities under the market development program were a factor in stimulating the increased consumption of wheat.

The U.S. Information Service is planning exhibits at two African international trade fairs this year with "Food for Freedom" as one of the major exhibit themes. Nonfat dry milk and bulgur will be exhibited as examples of the many U.S. agricultural commodities available through the private trade and Government programs. The fairs will take place at Dares Salaam, Tanzania, July 2-8 and Nairobi, Kenya, in September.

A ten-man team of U.S. poultry industry suppliers visited Latin America last month. Reports from the commercial attaches in Lima and Santiago indicate that the mission was quite successful with orders taken for incubators, breeders, ventilators, watering systems and various types of feed supplements and veterinary pharmaceuticals.

Exports are up for the Holstein-Friesian Association. Over 22,000 head were exported in 1965, a 33 percent increase over the previous year. Exports of registered breeding stock have shown a seven-fold increase over the past five years. Many of these exports have come through contacts made in market development cattle judging projects in which the Association participated.

An Iowa trade mission, headed by Governor Harold E. Hughes and comprised of 45 businessmen, 36 accompanying wives and 10 State officials, has just completed visits to five Far East countries. Governor Hughes stated that he expects the mission will write orders in excess of the $2 million worth of business done by a similar group which visited Europe last year.

A five-man team of Italian journalists will be arriving in the U.S. April 26 for a three-week tour of U.S. agriculture. A similar FAS project last year with representatives from West Germany resulted in many articles and broadcasts about American agriculture and its products.

Dr. Toshio Oiso, often called the Father of the Japanese kitchen demonstration bus program and more recently an advisor to the Wheat Associates office in Tokyo on nutrition-oriented activities, has been named Director of the Japanese National Institute of Nutrition. The NIN is Japan's top Government office for establishing nutrition policy and programs.